



State of Utah
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

Michael O. Leavitt
Governor

Kathleen Clarke
Executive Director

Lowell P. Braxton
Division Director

1594 West North Temple, Suite 1210
PO Box 145801
Salt Lake City, Utah 84114-5801
801-538-5340
801-359-3940 (Fax)
801-538-7223 (TDD)

March 22, 2000

CERTIFIED RETURN RECEIPT
P 074 976 666 and P 074 976 822

Robert L. Steele
1075 North 400 East
Nephi, Utah 84648

Anthony T. Peck
76 South 600 East
Lehi, Utah 84043

Dear Mr. Steele and Mr. Peck:

Re: Notice of Non-Compliance, Robert Steele and Anthony Peck (operators), Nephi
Gypsum Quarry, M/023/011, Juab County, Utah

This letter is sent to notify you that your mining operation, or portions thereof, are not in compliance with certain sections of the Utah Mined Land Reclamation Act §40-8-1 et. seq. and the Minerals Reclamation Program Rules R647-1 through R647-5.

Finding of Non-Compliance

Specifically, you have failed to provide the Division with an updated mining and reclamation plan which includes the necessary detailed information to allow us to confirm and finalize an accurate surety estimate and reclamation plan for the mine site. This information was last requested by certified letter dated November 19, 1999 (copy attached). A thirty (30) day deadline was established for receipt of updated information. On January 3, 2000, we received a letter from you stating that you would not submit any more information and that the interim \$36,000 reclamation surety was more than adequate to cover the cost of reclamation. Of the six items listed in our November 19, 1999 letter, you partially addressed only one item, #6. Although you submitted the requested map under item #6, you failed to include the requested permit area boundary on that map.

Violated rules:

The six requests left unanswered from the Division's November 19, 1999 letter fall under the requirements of the following rules.

- **Section R647-4-105. Maps, Drawings and Photographs**

Subpart R647-4-105.1.11.

Item #6. A current/updated surface and minerals ownership plat map showing all holdings within and immediately adjacent to the mine site area. The copy received May 19, 1999 was incomplete. It did not show the ownership patterns south of the mine area. **(The map should clearly show the permit area boundaries for the mine permit as well.)** *The bolded item was not submitted.*

Subpart R647-4-105.3.17.

Item #1. An updated reclamation treatments map identifying the specific reclamation treatments to be performed on each unique area of mine site disturbance. A map scale would also be provided.

Item #2. All currently regraded and reseeded (contemporaneously reclaimed) areas would be outlined and identified on the updated reclamation treatments map.

Section R647-4-111. Reclamation Practices.

Subpart R647-4-111.13.11

Item #3. An inspection request for those reclaimed areas to be released based on achieving the appropriate revegetation standards.

Section R647-4-113. Surety.

Subpart R647-4-113.3

Item #5. A detailed reclamation plan and surety estimate using areas identified on the reclamation treatments map.

Subsection R647-4-113.4

Item #4. Submission of an updated reclamation contract form.

Section R647-4-120. Transfer of Notice of Intention.

Item #4. Submission of the updated permit transfer.

Location of Non-Compliance

The specific location of the non-compliance is within the SE1/4 of the NE1/4 of section 3, T13S, R1E, Juab County, Utah.

Mitigation Requirements

Within 30 days, you must supply the Division with the necessary information and completed forms as requested in our November 19, 1999 letter to resolve the outstanding permitting deficiencies.

Consequences of Continued Non-Compliance

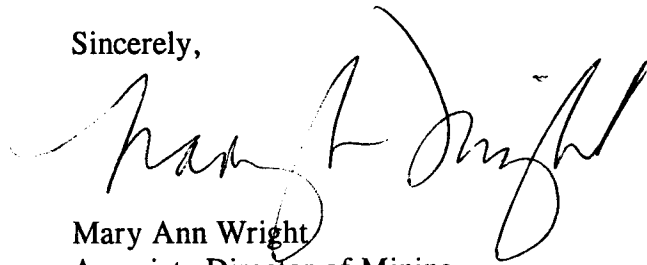
- Robert Steele and Anthony Peck's failure to comply with the mitigation requirements within the time frame specified in this Notice of Non-Compliance will result in issuance of a formal Notice of Agency Action. A Notice of Agency Action may require that you to appear at a formal hearing before the Board of Oil, Gas and Mining. After Notice and Hearing, the Board will issue an abatement or compliance order which may require: immediate reclamation of all mining-related disturbances, and/or other lawful requirements as authorized under the Act.
- The Board may also choose to bring suit against Robert Steele and Anthony Peck in a local court seeking restraining orders, injunctions, and/or the judicial assessment of appropriate civil penalties, not to exceed \$10,000 per day (per violation) for a finding of willful and knowing violation of the Act.

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Robert Steele & Anthony Peck
Nephi Gypsum Mine
M/023/011
March 22, 2000

If you wish to contest this Notice of Non-Compliance, you must contact the Division within 10 days of your receipt of this notice to schedule a meeting before the Division Director and appropriate members of the Minerals Program staff. Please contact Tiffini Moss, Executive Secretary, at (801) 538-5304 if you choose to arrange such a meeting. If you have any questions regarding this Notice you may contact me at (801) 538-5286 or Tom Munson at (801) 538-5321.

Sincerely,

A handwritten signature in black ink, appearing to read "Mary Ann Wright", written over a faint, larger signature.

Mary Ann Wright
Associate Director of Mining

jb

Enclosure: November 19, 1999 letter

cc: Tom Mitchell, AG's office
Lowell Braxton, Director
D. Wayne Hedberg, Permit Supervisor
Tiffini Moss, Exec. Sec.

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November 19, 1999

CERTIFIED RETURN RECEIPT
P 074 976 787

Robert Steele
1075 North 400 East
Nephi, Utah 84648

Re: Mining and Reclamation Plan Deficiencies, Robert Steele and Anthony Peck (operators), Nephi Gypsum Quarry, M/023/011, Juab County, Utah

Dear Mr. Steele:

As you will recall, the Division held a meeting with you on May 19, 1999, at the Division offices. At that meeting we discussed certain technical deficiencies that the Division has noted in a review of the current reclamation plan and surety estimate for the Nephi Gypsum quarry. It was our understanding that you would provide us with the supplemental detailed information as requested to update your mining and reclamation plan.

On July 18, 1999, we received a reclamation surety estimate and a revised map of the mine site area from you. The latest information is technically inadequate and fails to provide the necessary detail that we have repeatedly requested from you. The purpose of this letter is to ask once again, that you please provide the requested information that remains outstanding.

In the May 19th meeting, you agreed to provide the following information to complete the mining and reclamation plan:

1. An updated reclamation treatments map identifying the specific reclamation treatments to be performed on each unique area of mine site disturbance. A map scale would also be provided.
2. All currently regraded and reseeded (contemporaneously reclaimed) areas would be outlined and identified on the updated reclamation map.
3. An inspection request for those reclaimed areas to be released based on adequate revegetation.
4. Submission of the updated permit transfer and reclamation contract forms.
5. A detailed reclamation plan and surety estimate using areas identified on the reclamation treatments map.

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Robert Steele
M/023/011
November 19, 1999

6. A current/updated surface and minerals ownership plat map showing all holdings within and immediately adjacent to the mine site area. The copy received May 19th was incomplete and did not show ownership patterns south of the mine area. The map should clearly show the permit area boundaries for the mine permit as well.

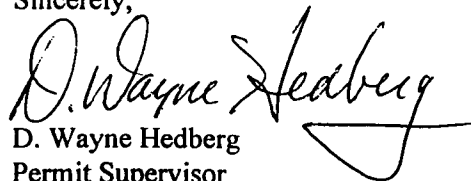
The current reclamation plan is quite vague and lacks sufficient detail to allow an accurate reclamation cost estimate to be calculated. We have asked for a more detailed reclamation plan description so that we, the general public, the mine operator, and the reclamation contractor will clearly understand what work needs to be done, including where, when and how it will be accomplished.

The revised map submitted on July 18, 1999, identifies three project areas that will eventually be reclaimed. A total disturbed acreage of 6.63 acres was determined for these areas. A third party reclamation cost estimate was prepared by Joe's Repair and Excavation and attached to your map. The lack of specific detail in this cost estimate makes it difficult to quantify and verify the projected reclamation costs. Although dollar values were attached to the bond estimate, no specifics regarding quantities of material moved, type and size of equipment used, projected work hours, etc. were provided. On May 6, 1999, we sent you examples of acceptable reclamation plans and associated surety calculations. Please review this information and use it as a guideline in preparing your response.

Your July 18, 1999, map was a copy of a map generated from an aerial photograph (4/30/97) originally submitted by Mr. Bruce Evans of Nephi Sandstone Corporation. The original map submitted by Nephi Sandstone showed 11.5 acres of surface disturbance. Seven acres of adjacent private land that has been disturbed and used to support the mining operation was included on Mr. Evans map. Your July 18, 1999, map does not include this adjacent disturbed area and does not provide an explanation why this acreage is excluded.

Within thirty (30) days of your receipt of this letter, we will require the receipt of a revised reclamation surety estimate which includes the necessary detailed information to allow us to confirm and finalize an accurate surety estimate and reclamation plan. If we cannot resolve these outstanding concerns through normal permitting channels, then we may be forced to pursue other enforcement provisions as authorized under the Act and rules. We would prefer to work with you to correct the deficiencies. Again, we request that you please attend to this matter within thirty (30) days of your receipt of this letter. Any questions regarding this letter can be directed to me or Tom Munson of my staff at (801) 538-5286 and 538-5321 respectively.

Sincerely,



D. Wayne Hedberg
Permit Supervisor
Minerals Regulatory Program

jb
cc: Mary Ann Wright, DOGM
Tom Munson, DOGM
M23-11.ltr